



EUROPEAN COMMISSION

Brussels, 7.12.2011  
COM(2011) 859 final

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND  
THE COUNCIL**

**on the implementation of Decision No 1297/2008/EC of the European Parliament and of  
the Council of 16 December 2008 on a Programme for the Modernisation of European  
Enterprise and Trade Statistics (MEETS)**

# **REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL**

## **on the implementation of Decision No 1297/2008/EC of the European Parliament and of the Council of 16 December 2008 on a Programme for the Modernisation of European Enterprise and Trade Statistics (MEETS)**

### **1. INTRODUCTION**

Under the terms of Article 6 of Decision No 1297/2008/EC of the European Parliament and of the Council of 16 December 2008 on a Programme for the Modernisation of European Enterprise and Trade Statistics (MEETS), (hereinafter referred to as the MEETS Decision), the Commission shall 'by 31 December 2010, and thereafter on an annual basis until 2013, ... submit to the European Parliament and the Council a report on the implementation of the MEETS Programme'.

This report is the second such report to provide an overview of the progress made by the Member States and the Commission (Eurostat) in implementing the activities under the MEETS Programme since the previous reporting period. The emphasis in the first report was on the actions started and/or continued in the annual work programmes for 2009 and 2010. For these first two years, the level of implementation of MEETS operational credits was almost 80%<sup>1</sup>. The principal explanation for this figure is the reduced ability of the Member States to take part in EU projects after the economic and financial crisis of 2008.

This second report covers the initial main results achieved so far, as well as the major initiatives covered by the annual work programme for 2011, which was adopted in 2010.

All MEETS activities are in line with the strategy set out in the Communication of 10 August 2009 from the Commission to the European Parliament and the Council on the production method of EU statistics: a vision for the next decade<sup>2</sup>.

### **2. OBJECTIVES, ANNUAL ACTIONS AND PRIORITIES**

Even though the MEETS programme runs until the end of 2013, a first overall evaluation was carried out at the end of 2010. Following this evaluation, the MEETS annual work programme for 2011 was adjusted. A streamlining of the programme took place, which resulted in a review of the number of MEETS projects and annual actions, and a move towards fewer strategic orientations.

---

<sup>1</sup> Eurostat signalled in the Annual Activity Report 2010 an exception regarding the use of MEETS credits on the budget of 2010. This exception was taken into account in the calculation of the level of execution of MEETS operational credits for the first two years.

<sup>2</sup> COM(2009) 404.

The main pillars of the MEETS programme continue to be organised around the collaborative networks in the European Statistical System (ESS), known as 'ESSnets'. All of the eight planned ESSnets are now up and running, the last one having been launched in early 2011. As a result of the streamlining exercise, the 2011 work programme provides for a longer period of support to a number of these ESSnets in the form of multi-annual grants, in place of annual grants.

Funding has also been provided for the individual grant agreements concluded with National Statistical Institutes (NSIs), and a number of external studies were also contracted. Other projects are ongoing which have no financial implications or which are integrated into other activities.

In total, the EU budget for the 2011 work programme is set at a little over €11 million, and it covers 19 annual actions plus the technical and administrative support needed to implement the programme. Grants, either through ESSnets or in the form of individual grants, remain the most common instrument for financing the actions (at around 90%).

## **2.1. Objective 1: To review priorities and develop target sets of indicators for new areas**

### **Identifying areas of lesser importance**

Since the adoption by the ESSC of a new strategy-driven approach in November 2010, the areas of lesser importance in business and trade statistics are identified in the framework of the **annual strategic review of Eurostat's priorities**. The review in 2010 resulted in the streamlining of the MEETS programme and the identification of a number of negative priorities which need to be developed further into concrete proposals for amending existing legal acts. These concern the statistics/series on Kind of Activity Unit in Annexes 2 and 4 of the Structural Business Statistics (SBS) Regulation<sup>3</sup> and the industrial new orders variable of Annex A to the Short-Term Statistics (STS) Regulation<sup>4</sup>. Furthermore, work continues on lessening the requirements for Intrastat and on rebalancing the international trade statistics for goods and services in favour of services.

### **Developing new areas (enterprise groups, globalisation, entrepreneurship, innovation)**

At the end of 2010, and based on the results of an initial study, methodological work was launched relating to the development of **statistics on enterprise groups** in two priority areas, namely: "intra-group trade" and "research and development and innovation". A Europe-wide consultation of multinational enterprises was undertaken on the feasibility of central reporting of these data by the parent company. In addition, following a thorough study of the information currently available at national and European level, an inventory was developed of

---

<sup>3</sup> Regulation (EC) No 295/2008 of the European Parliament and of the Council of 11 March 2008 concerning structural business statistics (recast). OJ L 97, 9.4.2008, p. 13.

<sup>4</sup> Council Regulation (EC) No 1165/98 of 19 May 1998 concerning short-term statistics. OJ L 162, 5.6.1998, p. 1.

the various possible ways of collecting data on the two key areas related to enterprise groups. Both activities resulted in recommendations on how best to collect the data in the two areas concerned and have provided a methodological basis for ESS data collection on enterprise groups via their parent companies. An initial assessment of this methodological work will be integrated in the activities of the ESSnet on the Profiling of Large and Complex Multinational Enterprise groups before starting any pilot-tests (see objective 2).

The study regarding the availability within the ESS and calculation of indicators proposed in the OECD Handbook on **Economic Globalisation Indicators** was finalised by the beginning of 2011. Following the streamlining of the MEETS programme, further methodological work and the organisation of pilot-tests will take place within the framework of the ESSnet on Measuring Global Value Chains (see objective 3).

Regarding the monitoring of policies related to **entrepreneurship**, work is continuing on the development of the legal framework for the collection of harmonised data on employer business demography. In addition, a first EU-wide voluntary data collection was launched in 2011 for the proposed high-growth indicators of innovative firms, servicing the newly-established "innovation Union headline indicator" in the Europe 2020 context. Co-operation with the OECD also continued with the elaboration of the joint Entrepreneurship Indicators Programme EIP and developing the determinants of entrepreneurship, incorporating the results of the workshop held at the end of 2010.

## **2.2. Objective 2: To achieve a streamlined framework of business-related statistics**

### **Integrating concepts and methods within the legal framework**

The ESSnet on **Consistency of concepts and methods of business and trade related statistics**, which was set up in 2010, started work on the inventory of the implementation of statistical units and their definitions in the Member States. Workshops were organised in early 2011 with experts from Eurostat and the NSIs and a questionnaire was drawn up and tested to collect further information. In addition, a report was drafted which outlined the main issues to be investigated and the planned methods and procedures. Furthermore, preparatory work was done in order to launch work in early 2012 on the target population, frames, reference period, classifications and their applications (breakdowns, specific aggregates), as well as their characteristics and definitions.

The project "**Improvement of consistency between balance of payments and international transaction statistics**" has been closed. The results of this project, including recommendations and a full reconciliation table, contributed to the work of the Task Force on consistency between Balance of Payments statistics and trade statistics.

## **Developing statistics on enterprise groups**

There was a lot of progress to report in the context of the **EuroGroups Register**<sup>5</sup> (EGR), which aims to provide consistent and coordinated survey frames for high quality statistics relating to globalisation.

The **ESSnet on EGR Methodology** took the development of the methodology of central and national EGR processes and the data model a stage further (EGR version 2). The EGR population of 5 000 Multinational Enterprise Groups (MNEs) was finalised and work began on extending the EGR population, bringing the total to 10 000 MNEs. Guidelines on the EGR methodology were disseminated to Member States. The analysis of the full coverage of the EGR population for Foreign Affiliates Statistics (FATS) and statistics on Foreign Direct Investment (FDI) is ongoing.

In addition, the number of grants provided in 2009 (16) and in 2010 (8)) supported the definition of the EGR processes and methods at national level for importing, validating, merging and exporting EGR data in the national register environments. They also covered the definition and the first phase of the construction of tools to automate, where possible, the EGR processes at national level and to enhance the quality of the EGR data. All MS have access to all results of these grant actions and can thus benefit from such access in order to prepare and develop the national implementation of the EGR.

The **ESSnet on Profiling of Large and Complex Multinational Enterprise Groups** is part of the EGR framework. Its goal is to achieve coordinated and meaningful statistical unit structures and agreement on the reporting of statistics for enterprise groups. A feasibility study on international profiling and a study on statistical units related to MNE were carried out in 2010. The resulting methodological work will be further developed, taking actual testing into account. The feasibility of implementing the recommendation on the definition of enterprise will be assessed in the framework of the activities of the ESSnet on Consistency.

## **Conducting Community surveys to minimise the burden on enterprises**

A study is being prepared on the methodological issues related to the use of EU sampling schemes in data collections.

### **2.3. Objective 3: To support the implementation of a more efficient method of producing enterprise and trade statistics**

#### **Making better use of data that already exist in the statistical system, including the possibility of estimates**

The work on "**data warehousing and data linking in the production of business statistics**" is being carried out by an ESSnet that was set up in the second half of 2010. As a first step,

---

<sup>5</sup> The legal basis was established by Regulation (EC) No 177/2008 of the European Parliament and of the Council of 20 February 2008 establishing a common framework for business registers for statistical purposes and repealing Council Regulation (EEC) No 2186/93. OJ L 61, 5.3.2008, p.6.

the ESSnet initiated a stocktaking of the existing data linking and warehousing approaches. A questionnaire was developed and sent to the ESS Member States and Switzerland in order to create an inventory of current best practices in integrated business data systems and to obtain an overview of the problems encountered and desired solutions. Results were presented and discussed in a workshop which took place in April 2011. The survey and discussions demonstrated the need to analyse a number of broad topics in relation to the establishment and operation of a data warehouse. These included an exact definition/scope of the statistical datawarehouse in this ESSnet, the metadata, the position/role of the business register, data confidentiality and inconsistency, and quality. The ESSnet will fulfil the role of an expert group, building up a knowledge base and defining and providing guidelines and also providing services in the form of peer reviews and consultancy.

Furthermore, a great deal of progress was achieved in the three projects covering the **linking of micro-data for individual statistics**:

- An exercise involving structural business statistics, foreign trade, **international sourcing micro data linking** was implemented and a methodology for this data extraction and micro data linking was developed. The results are taken into account in another major action which began in early 2011 with the launch of the ESSnet on **Measuring Global Value Chains**. This ESSnet will address one of the major initiatives put forward in the Europe 2020 Strategy and its aim is to compile data on the increasingly globalised business activity and organisation and its impact on job creation and sustainable growth. The project also aims to help policy makers to make better informed decisions and to monitor the globalisation/internationalisation of economies by developing and providing indicators on economic globalisation.
- The study undertaken for the project, “new statistical indicators on **external trade by business characteristics**”, resulted in a compilers' guide for the production of statistics on international trade by enterprise characteristics based on the linkage between trade data and Business Register information. The study also provided information on methodological issues related to the compilation of combined external trade and business statistics. As a result, a requirement to compile these statistics annually was included in the revised Intrastat and Extrastat Regulations. Regular production started in 2011, with 2009 as first referenc year. Several pilot studies for which grants were given to Member States are still ongoing in order to identify and develop new statistical indicators which combine trade and business statistics. A further aim of these studies is to improve the qualitative and methodological issues around the compilation of these new indicators.
- The ESSnet on **Linking micro-data on ICT usage** is currently studying the feasibility of alternative survey strategies to improve data representativeness in linked datasets, including their cost-benefit analysis.

As part of the project "**Methodology for modern business statistics (optimal sampling, model based estimation, data integration)**" work is ongoing on the review of the Handbook

on methods for European business statistics and on methodological developments in key areas such as integration of surveys, modern data collection methods and advanced estimation techniques.

### **Making better use of data that already exist in the economy**

In order to help Member States to **use administrative data for statistical purposes** in the most efficient way, the MEETS programme provides the NSIs with financial support to develop their systems for the collection and processing of data. The grant agreements signed with 16 NSIs in 2009 resulted in the implementation of new ways of updating the Business Registers for statistical purposes, innovative methods for estimating the data for micro- and small companies, creation of tools for quality checks, correction of errors and storage of the data. This will lead to a reduction in the reporting burden on companies and will enhance the quality of statistical information.

The ESSnet on the use of administrative and accounts data, which was launched in 2009, continues to investigate the practical issues related to the use of these data in order to produce statistics which are common to all NSIs. The results of the research and analytical work done in the first two years of activity will be further developed into recommendations and dissemination of good practices. The main results achieved so far concern the preparation of the overview of national practices on the use of administrative data, the description of the national practices on the use of different methods to estimate incomplete data sets when using administrative data for STS, and the production of a list of indicators for assessing the quality of business statistics based on administrative data.

### **Developing tools for the more efficient extraction, transmission and treatment of data**

Within the project "Making better use of customs data in external trade statistics (Extrastat)", several grant agreements were signed with Member States at the end of 2010. The aim is to provide support for the adaptation of their data collection systems for Extrastat statistics to the new customs systems introduced by the Modernised Customs Code<sup>6</sup>. Initial results are expected by the beginning of 2012.

For the project "facilitating the use of the Combined Nomenclature", the individual grants provided to National Statistical Institutes resulted in the availability of classification aids for Intrastat declarants. Web based tools and other materials were developed that make it easier to identify the correct commodity codes. This will enhance the quality of the data and reduce the burden on respondents.

In April 2011, the Member States were invited to participate in the project "Facilitation of data transfer from enterprises to national statistical institutes". Support will be provided for the development of IT systems for the collection of statistical data from enterprises, the

---

<sup>6</sup> Regulation (EC) No 450/2008 of the European Parliament and of the Council of 23 April 2008 laying down the Community Customs Code (Modernised Customs Code). OJ L 145, 4.6.2008, p.1.

development of national statistical taxonomies and the creation of national statistical XBRL taxonomies.

## **2.4. Objective 4: To modernise Intrastat**

### **Harmonising methods to improve quality under a simplified Intrastat**

As a result of the streamlining exercise, the two projects "Improvement of data quality under a simplified Intrastat system" and "Reduction of asymmetries in Intrastat" which were launched at the beginning of the MEETS programme were merged into one at the end of 2010 under the title "Harmonising methods to improve quality in intra EU-trade statistics".

Under this new project, Member States continue to receive support in reconciling the asymmetries and developing and implementing measures to improve quality, applying the methodological guidelines developed under a service contract in 2010. The two EU-wide reconciliation rounds organised in 2009 and 2010 have led to the correction and/or prevention of a number of significant asymmetries, while for some specific goods (gas, electricity, vessels, aircraft) a need for further improvement of the methodological instructions was identified. Grants were provided to Member States for the reconciliation exercises.

### **Making better use of administrative data**

To enhance the use of administrative data by Member States in the production of Intrastat statistics, grants were made in 2010. The projects are still ongoing. They concern the use of administrative data for the validation of data collected in the Intrastat system and the (further) development of joint data collection systems in a number of Member States for Intrastat, VAT and VAT Information Exchange (VIES).

### **Improving and facilitating data exchange within Intrastat**

The studies undertaken and the support provided to Member States resulted in an increased use of electronic means and technologies for data validation through automated processes and the application of advanced statistical concepts for error detection and auto-correction.

## **3. CONCLUSION**

The MEETS Decision details the actions which are to be financed during the period covered by the programme. This justifies the relatively large number of initiatives undertaken in the first two years of the programme. However, one of the results of the economic and financial crisis of 2008 was a "saturation" of financing possibilities in the NSIs owing to the lack of human resources. Therefore, there was a need to streamline the programme by integrating certain initiatives and/or to focus them towards the six main areas organised through ESSnets: consistency of concepts and methods, EGR, profiling large and complex multinational enterprise groups, micro-data linking and data warehousing in statistical production, methodology for business statistics, and the use of administrative and accounting data.

The ESSnets that started in 2009 or early 2010 did a great deal of work, in particular on the EGR methodology, Profiling and the Use of administrative data. For the other main pillars of the MEETS programme (consistency of legal acts, data warehouse and data linking initiatives), the activities concerned preparatory work, putting the basic infrastructure in place (launching ESSnets, multi-beneficiary grant agreements, etc.) and creating networks of national experts.

In addition, financing via individual grants continued, mainly in order to accompany the progress in methodology and to test certain methodological recommendations, but also to develop tools for more efficient extraction, transmission and processing of data. A number of results are already available, but most actions are still ongoing.

It is important to regard all actions as inter-connected initiatives, so as to make the national procedures for the collection of enterprise and trade statistics more efficient. This requires a long-term commitment and constant monitoring. Further progress reports will therefore be provided in 2012 and 2013. The final evaluation will take place at the beginning of 2014.